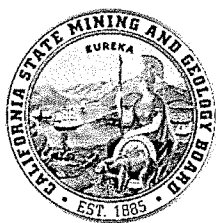


APPENDIX D

California Department of Conservation State Mining and Geology Board
Surface Mining and Reclamation Act (SMARA)
Notice of Completion of Inspection (CA Mine ID# 91-38-0011)

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**STATE MINING AND GEOLOGY BOARD**

DEPARTMENT OF CONSERVATION

801 K Street • Suite 2015 • Sacramento, California 95814

PHONE: 916 / 322-1082 • FAX: 916 / 445-0738 • TDD: 916 / 324-2555 • INTERNET: conservation.ca.gov/smgbGIDEON KRACOV, CHAIR
STEPHANIE LANDREGAN, VICE CHAIRBRIAN ANDERSON
GEORGE KENLINE
NEGAR NOUSHKAMSANDRA POTTER
DR. ZIA ZAFIR

June 13, 2017

Pat Perez, Supervisor of Mine Reclamation
Division of Mine Reclamation
801 K Street, MS 09-06
Sacramento, California 95814

**Re: 2016 Notice of Completion of Inspection,
Marine Oyster Shell Mining/SLC 5534.1 (CA Mine ID # 91-38-0011), San Francisco
BCDC**

Dear Mr. Perez:

Please accept this letter as our notice of completion of inspection as required by Public Resources Code (PRC) Section 2774(b) for the above referenced surface mining operation. This inspection was conducted by the State Mining and Geology Board's (SMGB) inspector on December 29, 2016, and accepted as complete by the SMGB at its regularly scheduled meeting on June 8, 2017.

Please note that no violations or corrective measures were noted at time of inspection on December 29, 2016, or upon completion of the 2016 annual inspection process, and therefore the subject surface mining operation is considered to be in compliance with the Surface Mining and Reclamation Act of 1975 (SMARA). A copy of the 2016 SMARA Mine Inspection Report, which includes the completed Surface Mining Inspection Report (Form MRRC-1), is attached for your files.

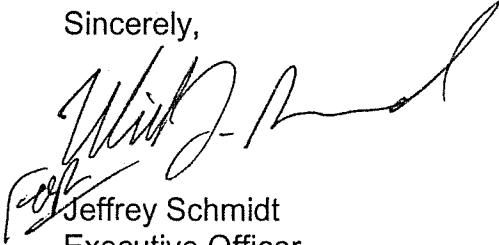
Finally, the subject surface mining operation does not have a review of its reclamation plan, financial assurances, or an interim management plan pending under PRC Section 2770(b) or (h), nor is an appeal pending before the SMGB or lead agency governing body under PRC Section 2770(e) or (h).

-o0o-

Mr. Pat Perez
June 13, 2017
Page 2 of 2

Should you have any questions regarding the above items, or the preparation of the enclosed inspection report, please do not hesitate to contact either Mr. Will Arcand or myself at the SMGB office.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Schmidt", is written over a printed name and title.

Jeffrey Schmidt
Executive Officer

Enclosure: 2016 SMARA Mine Inspection Report

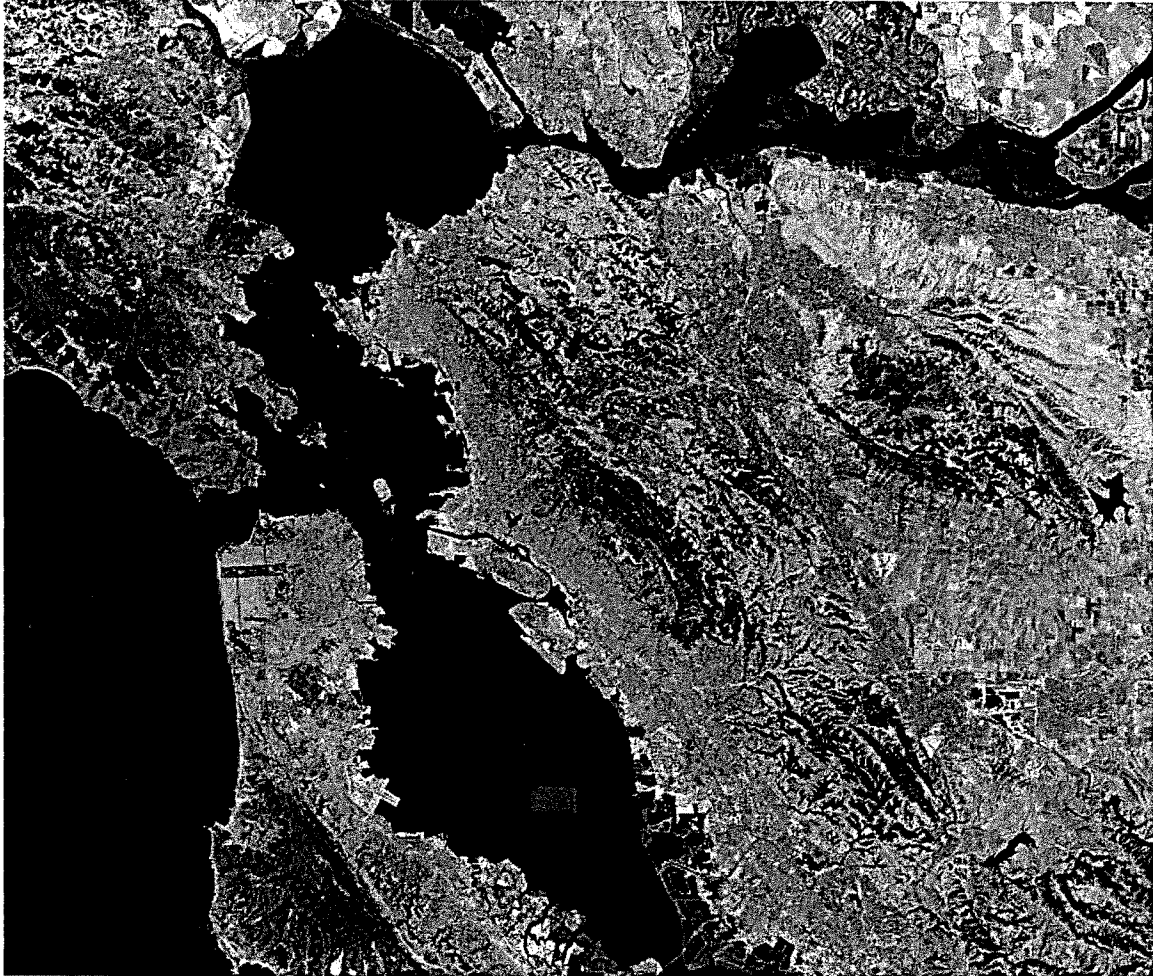
cc: Mr. Christian Lind, Lind Tug & Barge, Inc.
Ms. Brenda Goeden, San Francisco Bay Conservation and Development Commission

**2016 SMARA MINE INSPECTION
Marine Oyster Shell Mining/SLC 5534.1**

CA Mine ID No. 91-38-0011

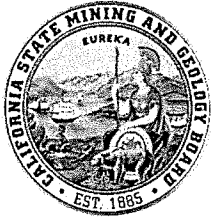
San Francisco Bay Conservation & Development Commission

December 29, 2016



**Prepared for:
State Mining and Geology Board
801 K Street, Suite 2015
Sacramento, California 95814**



**STATE MINING AND GEOLOGY BOARD**

DEPARTMENT OF CONSERVATION

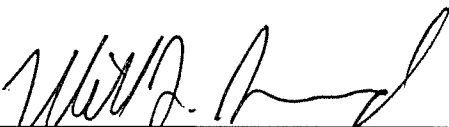
801 K Street • Suite 2015 • Sacramento, California 95814

PHONE: 916 / 322-1082 • FAX: 916 / 445-0738 • TDD: 916 / 324-2555 • INTERNET: conservation.ca.gov/smgbGIDEON KRACOV, CHAIR
STEPHANIE LANDREGAN, VICE CHAIRBRIAN ANDERSON
GEORGE KENLINE
NEGAR NOUSHKAMSANDRA POTTER
DR. ZIA ZAFIR**2016 SMARA MINE INSPECTION**
Marine Oyster Shell Mining/SLC 5534.1

CA Mine ID No. 91-38-0011

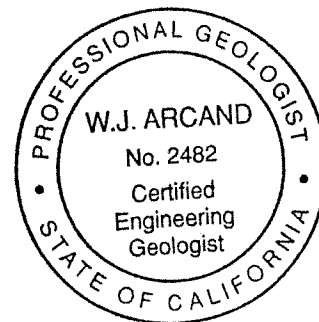
San Francisco Bay Conservation & Development Commission
December 29, 2016

Prepared by:


Will J. Arcand
CEG No. 2482

Date

5/25/17



NOTE: Inquiries regarding the preparation and contents of this report should be made directly to the State Mining and Geology Board

**2016 SMARA Mine Inspection
Marine Oyster Shell Mining
State Lands Commission Lease No. 5534.1
CA Mine ID No. 91-38-0011
San Francisco Bay Conservation and Development Commission**

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Figure 1	Site Location Map
Figure 2	Lease Layout Map

List of Attachments

Attachment A	2015 Mining Operation Annual Report
Attachment B	2016 Surface Mining Inspection Report

**STATE MINING AND GEOLOGY BOARD**

DEPARTMENT OF CONSERVATION

801 K Street • Suite 2015 • Sacramento, California 95814

PHONE: 916 / 322-1082 • FAX: 916 / 445-0738 • TDD: 916 / 324-2555 • INTERNET: conservation.ca.gov/smgb**GIDEON KRACOV, CHAIR**
STEPHANIE LANDREGAN, VICE CHAIR**BRIAN ANDERSON**
GEORGE KENLINE
NEGAR NOUSHKAM**SANDRA POTTER**
DR. ZIA ZAFIR

May 25, 2017

State Mining & Geology Board
801 K Street, Suite 2015
Sacramento, California 95814

Subject: 2016 SMARA Mine Inspection
Morris Tug & Barge Marine Oyster Shell Mining
State Lands Commission Lease No. 5534.1
CA Mine ID No. 91-38-0011
San Francisco Bay Conservation and Development Commission

Presented herein is the 2016 Surface Mining and Reclamation Act (SMARA) Mine Inspection report for the Lind Tug & Barge, Inc. (operator) Marine Oyster Shell Mining operation (CA Mine ID No. 91-38-0011) located in South San Francisco Bay, California. SMARA requires that each surface mining operation in the State undergo a physical site inspection at least once every twelve months (Public Resources Code (PRC) Section 2774(b)(1)). This marine oyster shell dredging operation involves the removal of material from the floor of South San Francisco Bay. A physical inspection of the extraction site is therefore impossible as it is entirely submerged.

The scope of work for this inspection included review of files maintained by the State Mining and Geology Board (SMGB) and the Division of Mine Reclamation (DMR), discussion of operations for the reporting period with the mine operator as needed - including review of any documentation submitted pertaining to the quantity and areal extent of material extraction, review of the dredging operation's "Protection and Indemnity" insurance policy, discussion of the operational status of the site with San Francisco Bay Conservation and Development Commission (BCDC) and California State Lands Commission (SLC) staff as necessary, preparation of the mine inspection report contained herein, and subsequent presentation of salient points to the SMGB at a public meeting. A copy of the 2015 Mining Operation Annual Report as submitted by the operator is provided in Attachment A. The 2016 Surface Mining Inspection Report as prepared by the inspector is provided in Attachment B. A site location map and lease layout map are provided as Figures 1 and 2, respectively.

1.0 MINE DESCRIPTION

Lind Tug and Barge conducts a marine oyster shell dredging operation situated in South San Francisco Bay to the northeast of San Mateo, California. The operation is conducted under California State Lands Commission (SLC) lease number 5534.1. The lease area includes approximately 1,560 acres as shown on Figure 2. This marine oyster shell dredging operation is also subject to U.S. Army

Corps of Engineers (USACOE) Permit No. 24403S, BCDC Permit M78-146, and California Regional Water Quality Control Board, San Francisco Bay Region General Waste Discharge Requirements for Shell Mining in San Francisco Bay (Order No. 74-28).

Lind Tug and Barge's marine oyster shell mining operation consists of extraction of relic marine oyster shell deposits by use of a trailing arm suction dredge from the bay floor, concurrent loading and primary washing of oyster shell material on a hopper barge, and subsequent transport to upland facilities for further processing and distribution.

2.0 BACKGROUND

A chronology of pertinent events and actions is as follows:

- | | |
|-------------------|---|
| December 14, 2006 | Negative Declaration adopted by State Lands Commission for South San Francisco Bay Oyster Shell Mining. |
| January 11, 2007 | SMGB approves Negative Declaration, Reclamation Plan and Financial Assurance for Morris Tug & Barge, Inc., SLC Lease No. 5534.1, Marine Oyster Shell Mining Operation (Resolution No. 2005-02). |

3.0 RECLAMATION OBJECTIVE

The approved reclamation plan states (Page 6) "*The mined lands natural function and proposed end use as the San Francisco Bay bottom for habitat and commerce is not and will not be impacted by the mining activities and that function will not change after cessation of mining activities.*" The approved reclamation plan states further (Page 6) that "*The State Lands Commission has granted Lease No. 5534.1 for mining purposes, and the State Lands Commission is aware that the mined lands will return to their natural condition as San Francisco Bay bottom after the cessation of mining activities.*"

4.0 OBSERVATIONS

Not applicable. No physical site inspection was conducted as the area of material extraction is under water.

5.0 DISTURBED AREA

Approximately 1,560 acres of South San Francisco Bay bottom surface are subject to disturbance under the approved reclamation plan.

6.0 RECLAIMED AREAS

Not applicable. The extraction area on the bottom of the bay is a dynamic environment that is constantly influenced by under water currents. Active reclamation activities are not conducted by the operator, nor are they required under the approved reclamation plan. It is understood that disturbed areas are reclaimed by natural processes on the bay bottom.

7.0 FINANCIAL ASSURANCE

During review of proposed reclamation plans for sand mining operations within San Francisco Bay in 2004, DMR recommended that, prior to approval, the reclamation plans should address the mitigative actions in the event that a dredge were to sink during conduct of operations. The approved marine oyster shell mining reclamation plan addresses this issue, and in Section II – Applicable Requirements of State Mining and Geology Board Regulations, Item No. 5 – Disposition of old equipment, it is stated (Page 8) *"In the unlikely event that a dredge were to sink, the oyster mining operator would be responsible to recover the vessel in accordance with applicable legal requirements; such requirements are covered under the oyster mining companies' liability insurance policies. This insurance covers the cost or expenses of, or incidental to, the removal of a wrecked vessel named in the policy whenever removal is required by state or federal law."*

The actual raising of a sunken vessel, in this case a dredge, does not meet the requirements of California Code of Regulations (CCR) Title 14, Section 3804(a), and thus such requirements have not been used as the basis of determining financial assurances for this type of mining operation. However, Marine Liability insurance, currently held by the marine oyster mining operator, does provide coverage for costs and expenses of, or incidental to, the removal of a wrecked vessel should this scenario occur. Marine Liability insurance is commonly referred to as "Protection and Indemnity", or more specifically noted, as the Protection and Indemnity form "SP-23". Under Clause (7) *"Removal of Wreck"* provides insurance coverage for costs and expenses of or incidental to, the removal of the wreck of the vessel, which is named within the policy, when such removal is compulsory by law or otherwise presents a hazard to navigation.

Previously the SMGB has determined that the "Protection and Indemnity" insurance policy, with inclusion of both the SMGB and the Department of Conservation as "additional insured" on such policy, suffices for reclamation of the mine site (i.e., salvage of a dredge in the unlikely event such dredge was to sink), and is in accordance with the requirements of SMARA. Considering the uniqueness of this type of mining operation, the insurance policy serves as an "operationally equivalent" financial assurance instrument. Thus, on January 11, 2007, the SMGB approved a financial assurance amount of zero dollars, with the condition that both the SMGB and the Department of Conservation are added as "additional insured" on the "Protection and Indemnity" insurance policy, for the operator's marine oyster shell mining operation.

A valid and current insurance policy was noted to be on file with the SMGB at time of review.

8.0 VIOLATIONS / CORRECTIVE MEASURES

No new or outstanding violations or corrective measures were noted at time of review.

9.0 REFERENCES

Proposed Negative Declaration for Oyster Shell Extraction, South San Francisco Bay, North of the San Mateo Bridge, San Mateo and Alameda Counties, California; prepared by the California State Lands Commission, dated September 8, 2005.

Addendum to Proposed Negative Declaration (State Clearinghouse #2005092030), Oyster Shell Extraction Project, California State Lands Commission, dated November 27, 2006.

Reclamation Plan for Morris Tug & Barge, Inc., SLC Lease PRC No. 5534.1, Marine Oyster Shell Mining Operation, dated July 20, 2005.

Oyster Shell Mining within South San Francisco Bay, State Lands Commission Lease PRC 5534.1, prepared by Hanson Environmental, Inc., dated October 24, 2004.

Oyster Shell Mining within South San Francisco Bay, State Lands Commission Lease PRC 5534.1, Response to State Lands Commission Questions and Request for Additional Information, prepared by Morris Tug & Barge, Inc. and Hanson Environmental, Inc., dated April 22, 2005.

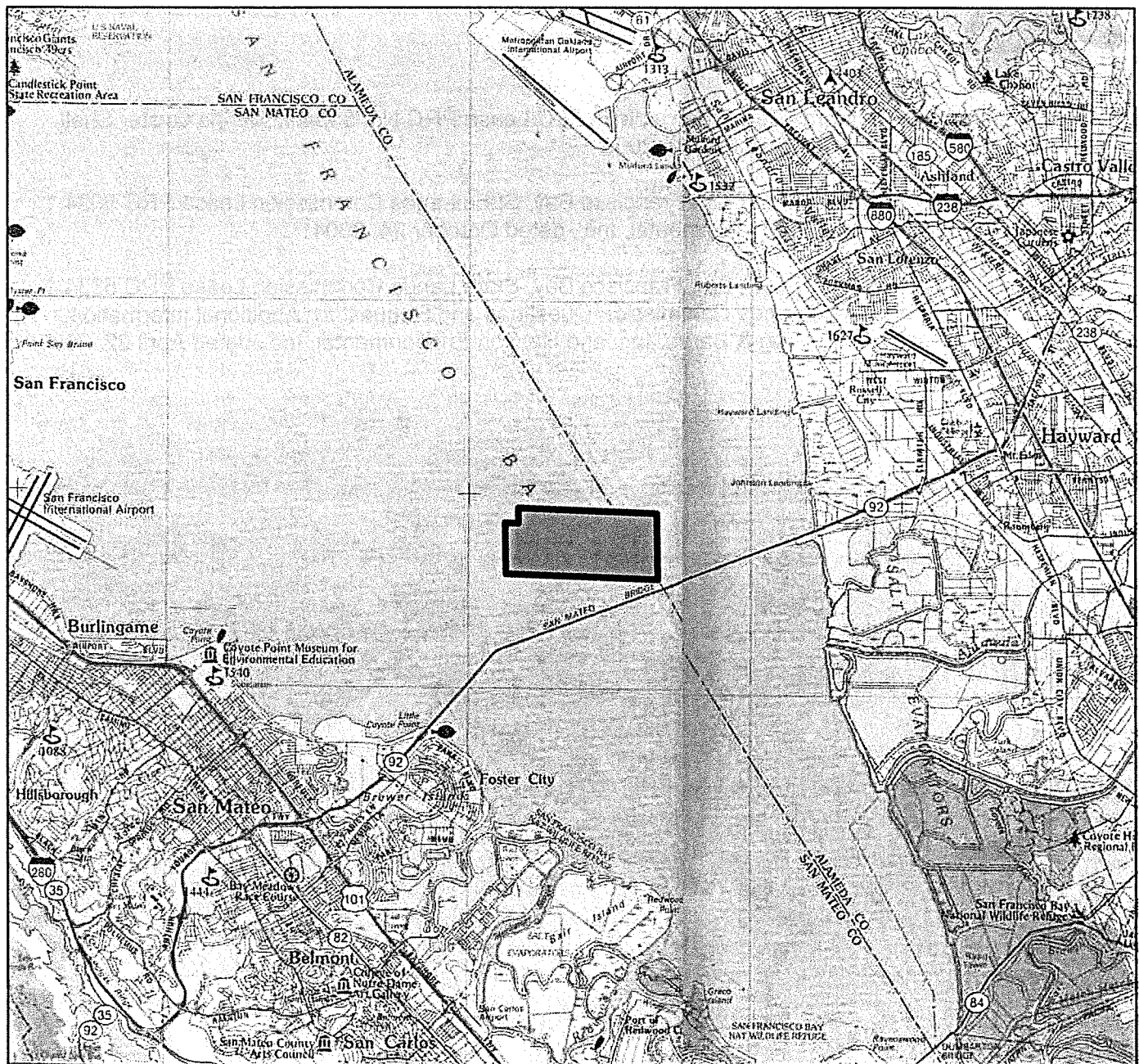



FIGURE 1 SITE LOCATION MAP

MARINE OYSTER SHELL MINING/SLC 5534.1
CA MINE ID #91-38-0011
S.F. Bay Conservation & Development Commission

DECEMBER, 2016

 = Dredging Area

Note:

1. Map source = 1998 DeLorme Northern California Atlas and Gazetteer.
2. Not to scale.



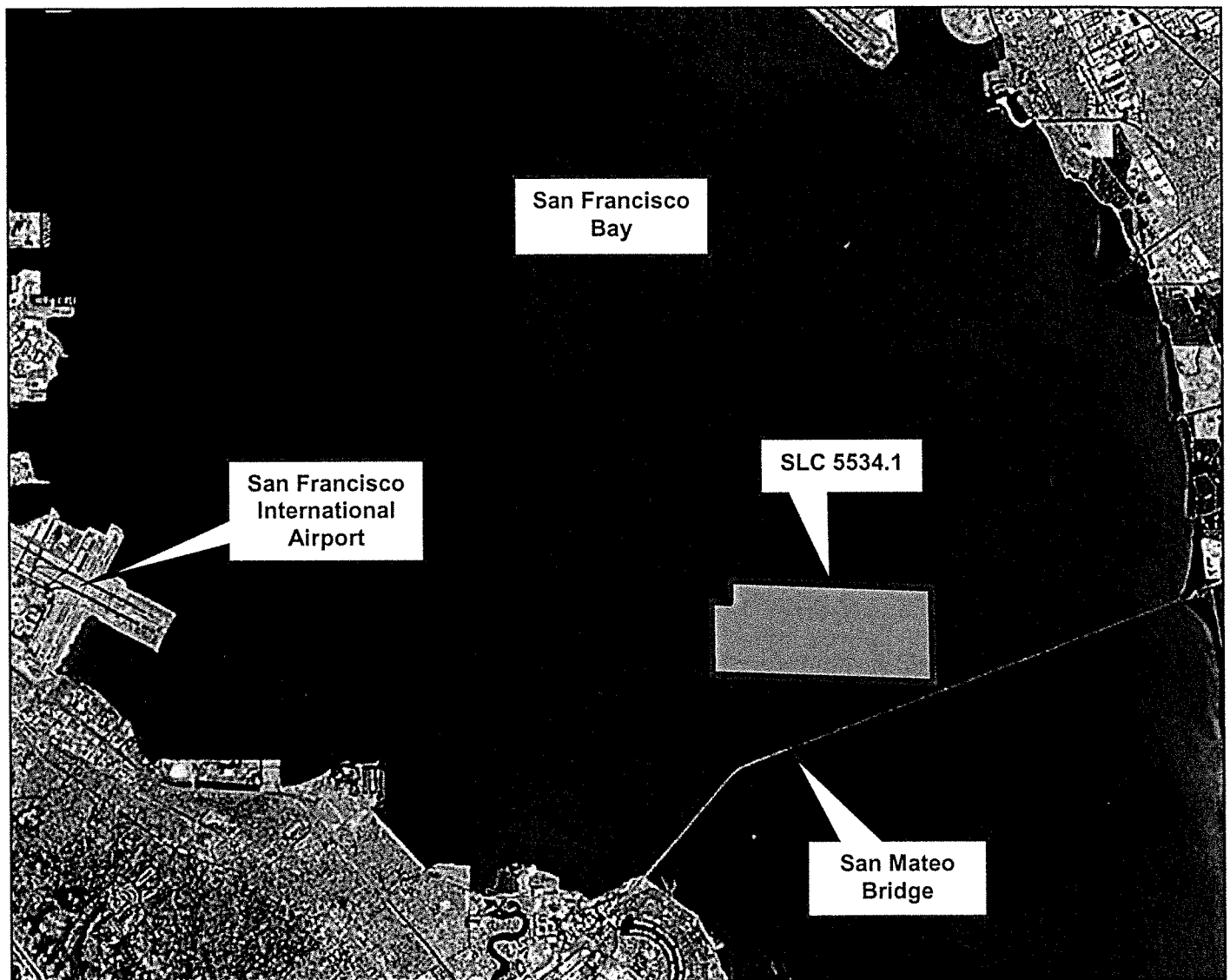


FIGURE 2 LEASE LAYOUT MAP

MARINE OYSTER SHELL MINING/SLC 5534.1
CA MINE ID #91-38-0011
S.F. Bay Conservation & Development Commission

DECEMBER, 2016

Note:

1. Photo source = Google Maps, 2008.
(image date uncertain)
2. Not to scale.
3. Some features visible on air photo may not be
reflective of current site conditions.



Attachment A

2015 Mining Operation Annual Report

CA MINE ID# 91-38-0011
MINE NAME Marine Oyster Shell Mining SL C 5534.1
SMARA Lead Agency SMGB
☐ City ☐ County ☒ Other

1. Company Operating	Mailing Address/P.O. Box No.	Telephone
Morris Tug & Barge, Inc.	3115 Brayton Lane	707-543-6551 Ext.
Site Contact Person	City/State/ZIP Code	Email Address
Christian/Denise Lind	Petaluma, CA 94952	denise@lindmarine.com

2. Designated Agent's Name (individual must reside in CA)	Mailing Address	
same as above	Email Address	
City	Zip Code	Telephone
		Ext.

SOME ITEMS BELOW ARE PRECEDED BY A BOX LABELED "N.C." THIS BOX MAY BE CHECKED IF THERE ARE NO CHANGES IN THE INFORMATION FROM THE LAST REPORTING YEAR.

(NOTE: IF THIS IS THE FIRST TIME YOU HAVE FILED A REPORT, ALL SECTIONS MUST BE COMPLETED.)

<input checked="" type="checkbox"/> N.C.	3. Owner of Mining Operation	Telephone	
		Ext.	
	Mailing Address	Email Address	
	City	State/ZIP Code	Country (If other than U.S.A.)
	Was this operation purchased by you during the 2015 reporting year?	Was this operation sold by you during the 2015 reporting year?	
	<input type="checkbox"/> Yes. Date of purchase: _____ <input type="checkbox"/> No.	<input type="checkbox"/> Yes. Date of sale: _____ <input type="checkbox"/> No.	
<input checked="" type="checkbox"/> N.C.	4. Landowner	Assessor's Parcel No.(s)	
	Mailing Address	Telephone	
		Ext.	
	City/State/ZIP Code	Country (If other than U.S.A.)	

5. Status of Mining Operation DURING THE 2015 REPORTING YEAR (See form instructions for definitions) **CHECK 1 ONLY**

☐ Newly permitted; date permitted: _____

☒ Active.

☐ Idle; date operation became idle: _____

If idle, complete the following:

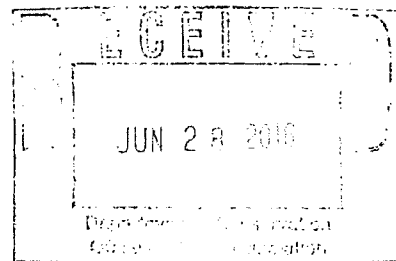
☐ Copy of approved Interim Management Plan is attached.

☐ Interim Management Plan is pending with the Lead Agency; date submitted: _____

☐ Closed with no intent to resume; date mining ceased: _____

☐ Closed - reclamation certified complete by the Lead Agency; date of certification: _____

ENTERED JUL 26 2016



6. Status of Reclamation Activities DURING THE 2015 REPORTING YEAR **CHECK 1 ONLY**

☒ Reclamation not started.

☐ Reclamation in progress.

☐ Reclamation certified complete by the Lead Agency.

Date reclamation was certified complete: _____

Date financial assurances were released: _____

7. Was an inspection completed by the Lead Agency during the 2015 reporting year?

- ☒ Yes. Date of Inspection: 12/31/15
- ☐ No. Explain on page 4.

8(a). Does this site have an approved reclamation plan?

- IF THIS IS THE FIRST ANNUAL REPORT FILED FOR THIS OPERATION, ATTACH APPROVED RECLAMATION PLAN.

Number of acres subject to the reclamation plan: 1560☒ Yes: Approval date of the reclamation plan: 1/11/2007☐ No: Please explain by checking one of the two boxes below, as applies. Otherwise, explain on page 4.☐ Approval pending. Date submitted to the Lead Agency: _____☐ Lead Agency action on initial or amended reclamation plan on appeal with the State Mining and Geology Board.

Date appeal submitted: _____

8(b). Were there any amendments to reclamation plan during the 2015 reporting year?

- IF ANY AMENDMENTS TO THE RECLAMATION PLAN WERE APPROVED DURING THE 2015 REPORTING YEAR, ATTACH A COPY.

☐ Yes: Amendment(s) to the reclamation plan were approved during the reporting 2015 year. Date approved: _____☒ No.

9(a). Was a financial assurance cost estimate approved by the Lead Agency during the 2015 reporting year?

☐ Yes. Date of approval: _____☐ No. Approval of financial assurance cost estimate pending with the Lead Agency. Date submitted: _____☒ No. Explain on page 4.

9(b). Was a new or updated financial assurance mechanism(s) approved by the Lead Agency and the Department of Conservation during the 2015 reporting year?

☐ Yes. Date of approval: _____☐ No. Approval pending financial assurance mechanism(s). Date submitted to the Lead Agency: _____☐ No. Lead Agency action on financial assurance mechanism(s) is on appeal with the State Mining and Geology Board.

Date appeal submitted: _____

☐ No. Other, explain on page 4.

9(c). Complete information below for financial assurance mechanism(s):

Type (Bond, CD, etc.)	Amount	Date Posted	Date of Annual Review by the Lead Agency	Expiration Date or Renewal Date (if applicable)
Insurance Cert				
see attached				



N.C.

10. ATTACH NAMED U.S. GEOLOGICAL SURVEY MAP—7.5' OR 15' QUAD—SHOWING BOUNDARIES OF MINING OPERATION.

Latitude (Decimal Degree) Longitude (Decimal Degree) Section—Township—Range—Base Meridian Quad Name County



N.C.

11. Code type(s) of mining operation: _____

SEE EXHIBIT A FOR CODE TYPE(S)

12. DISTURBED ACREAGE

COMPLETE ENTIRE SECTION

1. 0 Approximate disturbed acreage on January 1, 2015. (This figure should match the figure from item 12, line 5 on your 2014 annual report. If it does not match, explain on page 4.)
2. 0 Approximate acreage disturbed during 2015.
3. 0 (ADD LINE 1 TO LINE 2)
4. 0 Approximate disturbed acreage reclaimed during 2015.
5. 0 (SUBTRACT LINE 4 FROM LINE 3) Approximate disturbed acreage remaining on December 31, 2015.

13. **CHECK ALL THAT APPLY**

- ☐ Acres permitted: _____
- ☐ Acres vested (acres disturbed prior to January 1, 1976): _____
- ☐ Acres on federal lands: _____



14. Current total assessed value of mining operation as established by County Assessor's Office: \$ _____

15. COMMODITIES AND PRODUCTION*

SEE EXHIBIT B

**PRODUCTION INFORMATION IS PROPRIETARY AND
WILL BE KEPT CONFIDENTIAL PURSUANT TO
PUBLIC RESOURCE CODE SECTION 2207(g)*

List All Commodities (from Exhibit B)	Category Number (from Exhibit B)	Amount of Production	TOTAL PRODUCTION		
			CHECK ONE		
PRODUCED MINERALS			Short Tons	Troy Ounces	Pounds
A. <u>PRIMARY COMMODITY</u>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. <u>ALL OTHER COMMODITIES</u> (include gold and silver produced if not primary commodity)			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

16. FEE SCHEDULE

SEE EXHIBIT C

USING BOTH YOUR CATEGORY NUMBER AND TOTAL PRODUCTION FROM 15(A) ABOVE, REFER TO EXHIBIT C TO FIND YOUR CORRESPONDING PRODUCTION RANGE. ENTER YOUR CORRESPONDING PRODUCTION CODE IN 16(A) AND FEE IN 16(B) BELOW.

A. PRODUCTION CODE B. REPORTING FEE \$ **GOLD AND SILVER FEE:**

IF GOLD OR SILVER PRODUCTION IS REPORTED IN SECTION 15(A) OR 15(B), CONTINUE ON TO COMPLETE 16(C) AND (D), BELOW.

C. GOLD FEE (_____ Ounce(s) of gold) X (\$5.00 per ounce) = \$ _____

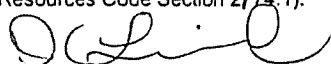
D. SILVER FEE (_____ Ounce(s) of silver) X (\$0.10 per ounce) = \$ _____

TOTAL FEES DUE; SUM OF 16(B), (C) AND (D) = \$ _____ (Attach one check for total)

CA MINE ID# 91-38-001117. SUBMITTED BYName (Please print): Denise LindMailing Address: 3115 Brayton LaneCity/State/ZIP Code: Petaluma, CA 94952Telephone Number: 707-543-6551

I certify that the information submitted herein is complete and accurate (failure to submit complete and accurate requisite information may result in an administrative penalty as provided for in Public Resources Code Section 2774.1).

SIGNATURE OF SUBMITTER



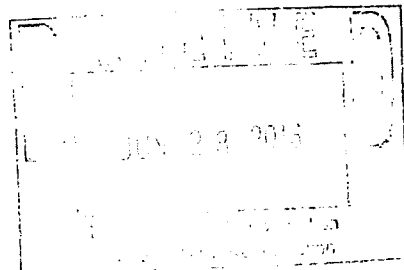
DATE

TITLE OF SUBMITTER AdminEMAIL ADDRESS denise@lindmarine.com

Please mail annual report, reporting fee, gold and silver fee and required attachments to:

ATTN: Reporting Unit
Office of Mine Reclamation
Department of Conservation
801 K Street, MS 09-06
Sacramento, CA 95814-3529

Please use the space provided to complete any questions that required further explanation. Additional sheets may be attached if more space is needed.



Attachment B

2016 Surface Mining Inspection Report

SURFACE MINING INSPECTION REPORT

(See reverse side of each form page for completion instructions)

I. Mine Name (As Shown on Approved Reclamation Plan) Marine Oyster Shell Mining	Inspection Date: 12/29/2016	CA MINE ID# 91- 38-0011
---	---------------------------------------	-----------------------------------

II. Mine Operator Lind Tug & Barge, Inc.		Telephone (707) 773-3809
Onsite Contact Person Christian Lind		Telephone (707) 773-3809
Mailing Address 3115 Brayton Lane		
City Petaluma	State CA	ZIP Code 94952
E-mail Address (optional) chris@jericoproducts.com		

III. Designated Agent Christian Lind		Telephone (707) 773-3809
Mailing Address 3115 Brayton Lane		
City Petaluma	State CA	ZIP Code 94952
E-mail Address (optional) chris@jericoproducts.com		

IV. SMARA Lead Agency Name (City, County, BCDC, or SMGB) SMGB		
Inspector Will J. Arcand, CEG 2482		Telephone (916) 322-1082
Title Senior Engineering Geologist	Organization SMGB	
Mailing Address 801 K Street, Suite 20-15		
City Sacramento	State CA	ZIP Code 95814
E-mail Address (optional) will.arcand@conservation.ca.gov		

V. Does the operation have:	P	NR	No	Yes
A Permit to Mine	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Permit # - Start and Expiration Dates SLC Lease No. 5534.1, USACOE #24403S, BCDC #M78-146 (dates vary)
Vested Right to Mine	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
A Reclamation Plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Year of Lead Agency determination 2007
Reclamation Plan Amendment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RP# 91-38-0011 Date Approved 1/11/2007 RP Amendment # (as applies) Date Approved or Status of Amendment
Has the Operator filed a Mining Operation Annual Report (Form MRRC-2) this Year? Check One: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Year of Most Recent Filed Annual Report: 2015				

VI. Is this Operation on Federal Land? Check One: If "Yes," Provide One or Both of the Federal Mine Land Identification Numbers Below:		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
California Mining Claim Number (CAMC#): NA	Latitude/Longitude at Mine Entrance (Decimal Degrees): Lat = 37.6134, Long = -122.2397 (center of lease area)	
U.S. Forest Service or BLM Identification Number (Plan of Operations #) : NA	Status of Plan of Operations (Current/Expired/In Process): NA	

SURFACE MINING INSPECTION REPORT

VII. Financial Assurance		Inspection Date: 12/29/2016	CA MINE ID#: 91-38-0011	
Type of Financial Assurance Mechanism(s)	Financial Assurance Mechanism Number(s)	Amount of Mechanism	Date of Expiration	Date of Lead Agency Approval of Mechanism
Protection and Indemnity Insurance Policy	UM00053713MA16A	\$1,000,000	11/14/2017	1/11/2007
Total Amount of Mechanism(s)		\$1,000,000		
<input type="checkbox"/> Financial Assurance Mechanism Pending Review by Lead Agency? If yes, provide date submitted/explanation and amount of pending mechanism:				
Has there been a change of operator since last inspection? If yes provide the date of notice. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date of Change:	If yes, has the new operator posted a Financial Assurance Mechanism? <input type="checkbox"/> Yes <input type="checkbox"/> No If not, describe status of new operators Financial Assurance Mechanism:			Does new operator's Notice of Change include a statement of responsibility for reclamation? <input type="checkbox"/> Yes <input type="checkbox"/> No

Date and Amount of Most Recent Approved Financial Assurance Cost Estimate:	Date: 1/11/2007 Amount: \$0
<input type="checkbox"/> Financial Assurance Cost Estimate Pending Review with Lead Agency?	Date Submitted/Explanation/Amount of pending estimate:
<input type="checkbox"/> Financial Assurance Cost Estimate Appealed by Operator?	Date Submitted to State Mining and Geology Board or Lead Agency for Appeal/Explanation:
<input checked="" type="checkbox"/> Other?	<small>Previously the SMGB has determined that the "Protection and Indemnity" insurance policy, with inclusion of both the SMGB and the Department of Conservation as "additional insured" on such policy, suffices for reclamation of the mine site (i.e., salvage a dredge in the unlikely event such dredge was to sink), and is in accordance with the requirements of SMARA. Considering the uniqueness of this type of mining operation, the insurance policy serves as an "operationally equivalent" financial assurance instrument. Thus, on January 11, 2007, the SMGB approved a financial assurance amount of zero dollars, with the condition that both the SMGB and the Department of Conservation are added as "additional insured" on the "Protection and Indemnity" insurance policy, for Morris Tug & Barge marine oyster shell mining operations.</small> <small>A valid and current insurance policy was noted to be on file with the SMGB at time of review.</small>

INSTRUCTIONS FOR COMPLETING SURFACE MINING INSPECTION REPORT

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This report is intended to comply with the requirements of California's Surface Mining and Reclamation Act (SMARA – Public Resources Code Sections §§ 2710 et seq., and the associated California Code of Regulations found in Title 14, division 2, beginning at § 3500, hereinafter respectively "PRC" or "CCR") and specifically PRC § 2774(b) and CCR § 3504.5 for operations located on private land and/or partly or solely on Bureau of Land Management (BLM) and U.S. Forest Service (USFS) lands (Title 43, parts 3500, 3600, and 3800 of the Code of Federal Regulations). A Memorandum of Understanding between the U.S. Department of Interior, BLM; U.S. Department of Agriculture, USFS; the State of California, Department of Conservation; and the State Mining and Geology Board (SMGB), discusses implementation of SMARA on Federal lands in California that are under the jurisdiction of the BLM and/or the USFS.

As required by PRC § 2774(b) and CCR § 3504.5(g), Lead Agencies shall file an Inspection Notice that includes a statement regarding compliance with SMARA, a copy of this Surface Mining Inspection Report (MRRC-1) and any other supporting documentation with the Department within 30 days of completion of the inspection. The Lead Agency shall also forward a copy of the Inspection Notice, MRRC-1, and any supporting documentation to the operator.

BLOCK I: Enter the name of the Mining Operation, the date of the inspection, and the California Mine ID number.

BLOCK II: Enter the name of the Mine Operator, mailing address, phone number, name, and email address (optional) of the person to serve as the onsite contact.

BLOCK III: Enter the name, mailing address, phone number, and email (optional) of the Designated Agent who, under PRC § 2772(c)(1) and 2207(a)(1), will serve as a contact for any follow-up correspondence or discussions regarding the inspection or noted violations.

BLOCK IV: For "Lead Agency," enter the name of the certified SMARA Lead Agency that is conducting this inspection. Acceptable entries include the name of the city, county, Bay Conservation and Development Commission (BCDC), or State Mining and Geology Board (SMGB). For "Organization," enter the name of the agency, firm or other organization that employs the inspector.

BLOCK V: Check the appropriate boxes.

P	Pending (on appeal or awaiting approval by Lead Agency)
NR, No, Yes	Not required for this operation at the time this inspection was completed
	No
	Yes, supply information

Note: Where appropriate, to aid in determining when the lead agency recognized that the operation has vested mining rights, inspectors are advised to review older agency correspondence, minutes of lead agency hearings, including agendas and staff reports associated with approvals of any kind related to the mining operation.

BLOCK VI: Indicate if the operation is on federal Land; if operation is on federal land, include a California Mining Claim Number and/or a BLM/USFS Identification Number and Plan of Operations Number, if applicable. Give the status of the BLM/USFS Plan of Operations, as indicated. Give the latitude and longitude at the mine entrance in decimal degrees.

DISTRIBUTION INSTRUCTIONS:

One copy of the inspection notice and this completed Inspection Report (all pages) shall be given to the Mine Operator and the operator's designated agent by the lead agency (PRC Section 7374(b)).

The Lead Agency must retain the original copy of this Inspection Report and submit one copy of this Inspection Report, along with an original inspection report notice (PRC Subsection 2774(b)), within 30-days of the completion of the inspection, to:

Department of Conservation
Office of Mine Reclamation
801 K St MS 09-06 Sacramento, CA 95814-3529

If any part of the operation inspected is on BLM or USFS land, one copy of this Inspection Report should be forwarded to the appropriate BLM or USFS office.

SURFACE MINING INSPECTION REPORT

VIII. Non-SMARA facility operations conditions solely of local concern (e.g. hours of operation) do not need to be noted here. See Instructions for Block VIII on reverse side of page. [Use separate sheet(s) where necessary. Refer to item numbers below]		CA MINE ID # <div style="font-size: 1.2em; font-weight: bold;">91- 38-0011</div>	
Potential Reclamation Plan Requirements:	List Reclamation Plan Requirements (Recommended to be filled out prior to field inspection)	Note Site Conditions and Compliance Issues (Note additional comments on Page 5 as necessary)	VN?
1) General Information			
a) Permitted Mineral Product(s)	a) Oyster Shell	OK	
b) Approved Production Amount (Annual/Gross)	b) 80,000 cubic yds per year		
c) End Date of Operations Per RP	c) NA		
d) Permit end date	d) various		
e) End Use	e) SF Bay bottom habitat and commerce		
2) Boundaries			
a) Property Boundary	a) 1,560 acres	OK	
b) Permit Boundary	b) 1,560 acres		
c) Rec. Plan Boundary (RPB)	c) 1,560 acres		
d) Setbacks	d) NA		
3) Slopes – Grading			
a) Fill Slopes – Note Condition of:	NA	-	
i) Slopes – Working (max/current)			
ii) Slopes – Reclaimed			
iii) Compaction			
b) Cut Slopes – Note Condition of:			
i) Slopes – Working (max./current)			
ii) Slopes – Reclaimed			
4) Erosion Control			
a) BMPs	NA	-	
b) Grading			
c) Vegetation			
5) Ponds			
a) Design – Function	NA	-	
b) Capacity (area/depth/volume)			
c) Maintenance			
6) Stream & Wetland Protection			
a) Buffers (distance to channel)	NA	-	
b) Berms (distance/length/height)			
c) Best Management Practices			
d) Drainage			
e) Grading & Slopes			
f) Stockpiles			
g) Stream Diversions			
7) Sensitive Wildlife & Plant Protection			
a) List Species	NA	-	
b) Protection Measures			

INSTRUCTIONS FOR COMPLETING SURFACE MINING INSPECTION REPORT

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BLOCK VII: Type of Financial Assurance Mechanism(s): Fill in the type of mechanism(s) that are on file. PRC § 3803 and SMGB Financial Assurance Guideline number 10 describe Surety Bonds, Trust Funds, or Irrevocable Letters of Credit as acceptable financial assurance mechanisms for non-governmental entity operators. For surface mining operations owned and operated by state and local government entities, Surety Bonds, Trust Funds, Irrevocable Letters of Credit, Pledges of Revenue, and Budget Set Aside are acceptable financial assurance mechanisms.

State the Financial Assurance Mechanism(s) document number(s). State the dollar amount of each Financial Assurance Mechanism(s) currently on file. State the date of expiration of the Financial Assurance Mechanism(s) currently on file. State the date of approval for the most recent lead agency approved Financial Assurance Mechanism(s) on file. State the total dollar amount of mechanisms held for reclamation.

Indicate if any Financial Assurance Mechanisms are pending review by the lead agency and the date and amount of submittal to the lead agency.

Indicate if there has been a change of operator of record since the last inspection and, if so, note the date the change occurred and whether the new operator has signed any document acknowledging reclamation responsibility under the approved reclamation plan and if the new operator has posted a Financial Assurance Mechanism. If a replacement Financial Assurance Mechanism has not been posted, indicate the status of the new operator's replacement Financial Assurance Mechanism. Per PRC § 2773.1(c) and Guideline number 19 of the SMGB's Financial Assurance Guidelines, when operatorship is transferred, "the original financial assurance must remain in effect until the lead agency has approved, following department review, the replacement assurances provided by the successor operator."

The Financial Assurance amount must be adjusted and approved annually to account for new lands disturbed by surface mining operations and lands to be disturbed in coming year, inflation, and reclamation of lands accomplished in accordance with the approved Reclamation Plan (PRC § 2773.1(a)(3) and SMGB Financial Assurance Guideline #16). In order to determine what adjustments, if any, are appropriate to the Financial Assurance Mechanism amount, each mine operator must submit annually a revision of the written Financial Assurance Cost Estimate to the Lead Agency (PRC § 3804(c)). Provide the date of the operator's most recent revision of the Financial Assurance Cost Estimate to the Lead Agency and where appropriate, provide a status of the pending Financial Assurance Cost Estimate. Provide the date and amount of the most recently approved Financial Assurance Cost Estimate.

Also indicate if the Financial Assurance Cost Estimate is under appeal to the lead agency or whether it has been appealed to State Mining and Geology Board as described in PRC § 2770(e).

Use the Financial Assurance "Other" and "Explanation" blocks to provide any other pertinent information regarding the status of Financial Assurance(s). If the operation does not have a sufficient Financial Assurance Cost Estimate and/or Financial Assurance Mechanism, explain in detail.

SURFACE MINING INSPECTION REPORT

VIII. Non-SMARA facility operations conditions solely of local concern (e.g. hours of operation) do not need to be noted here. See Instructions for Block VIII on reverse side of page. [Use separate sheet(s) where necessary. Refer to item numbers below]		CA MINE ID # <div style="font-size: 1.2em; font-weight: bold;">91- 38-0011</div>	
Potential Reclamation Plan Requirements:	List Reclamation Plan Requirements (Recommended to be filled out prior to field inspection)	Note Site Conditions and Compliance Issues (Note additional comments on Page 5 as necessary)	VN?
8) Soil/Overburden Stockpile Management	NA	-	
a) Topsoil			
i) Location			
ii) Slope Stability			
iii) BMPs			
b) Overburden			
i) Location			
ii) Slope Stability			
iii) BMPs			
c) Topsoil Application			
i) Amendments			
ii) Depth			
iii) Moisture			
iv) Application Methods			
9) Revegetation			
a) Test Plots			
b) Species Mix			
c) Density			
d) Percent Cover			
e) Species Richness			
f) Protection			
g) Success Monitoring			
h) Invasive Species Control			
10) Structures	NA	-	
11) Equipment	NA	-	
12) Closure of Adits	NA	-	
13) Other Reclamation Plan Requirements	None	-	

INSTRUCTIONS FOR COMPLETING SURFACE MINING INSPECTION REPORT

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BLOCK VIII: INSTRUCTIONS FOR EACH DATA COLUMN:

Potential Reclamation Plan Requirements (Column 1): Under CCR § 3504.5(f), "Inspections may include, but shall not be limited to the following: the operation's horizontal and vertical dimensions, volumes of materials stored on the site; slope angles of stock piles, waste piles and quarry walls; potential geological hazards; equipment and other facilities; samples of materials; photographic or other electronic images of the operation; any measurements or observations deemed necessary by the inspector or the lead agency to ensure the operation is in compliance with Public Resources Code Chapter 9." Column 1 provides a list of items that may be included in the approved reclamation plan, either expressly or by reference as described in PRC § 2772(d), which may include conditions of approval, other permit requirements and supplementary documents, including environmental documents, prepared for the project pursuant to Division 13 (commencing with Section 21000).

It is not expected that all reclamation plans will include each item of Section VIII, or be limited to the items listed. Items in Column 1 that are not operative requirements in the reclamation plan may not need to be addressed by the inspection. Operative reclamation plan requirements not listed in Items 1 through 12 may be listed in Item 13, under "Other Reclamation Plan Requirements."

Reclamation Plan Requirements (Column 2): Prior to field inspection, it is recommended that the inspector review the approved reclamation plan and any amendments, as well as any other documents included by reference, including conditions of approval, other permit requirements and supplementary documents, such as environmental documents prepared for the project pursuant to Division 13 (commencing with Section 21000) that specifically relate to reclamation of the mine site. The most recently approved Financial Assurance Cost Estimate and any pending or ongoing enforcement actions should also be reviewed. Conditions of approval that relate to facility operations solely of local concern, such as hours of operation, noise, and dust control are not subject to the inspection.

Column 2 is intended to provide the inspector a place to match any items noted in Column 1 with those items included in the approved reclamation plan either expressly or by reference as described in PRC § 2772(d), which may include conditions of approval, other permit requirements and supplementary documents, including environmental documents prepared for the project pursuant to Division 13 (commencing with § 21000). Also note any Interim Management Plan (IMP) requirements where the mine is subject to an IMP pursuant to PRC § 2770(h).

Indicate the source document for the reclamation plan requirements at the end of the entry in parenthesis; i.e. (COA) (POO) (EIR) (WDR) (SWPPP), etc. Conditions of approval that relate to facility operations solely of local concern, such as hours of operation, noise, and dust control should not be included in Column 2. If items listed in Column 1 of Section VIII of the form are not included in the reclamation plan or other documents included by reference, write not applicable or "NA" in Column 2.

Specific reclamation requirements may not apply to an operation at the time of inspection, but they are important to be aware of to ensure current activity at the site will not prohibit reclamation in accordance with the approved reclamation plan.

A copy of the Surface Mining and Reclamation Act of 1975 and 1993 SMGB regulations may be obtained at <http://www.conservation.ca.gov/omr/lawsandregulations/Pages/SMARA.aspx>.

Site Conditions and Compliance Issues (Column 3): Describe current site conditions and compliance issues noted for both operating and reclaimed surfaces that pertain to the reclaimed condition of the mining site. Block IX is provided for additional space to describe site conditions and/or compliance issues. Attach additional sheets as necessary. Evaluations of slope stability and engineered compaction should be prepared by qualified professionals only. PRC § 2774(b) states "The lead agency may cause an inspection to be conducted by a state licensed geologist, state licensed civil engineer, state licensed landscape architect, or state licensed forester, who is experienced in land reclamation and who has not been employed by a surface mining operation within the jurisdiction of the lead agency in any capacity during the previous 12 months."

VN? (Column 4): Use this box to indicate if violations were noted for any of the specific items under the corresponding item group heading (e.g., Boundaries, Slopes-Grading, etc.) during field inspection of the site. Enter number of violations in the box.

SURFACE MINING INSPECTION REPORT

<p>IX. List comments/description/sketches to support observations of mine site conditions, including violations. Where any violations are noted, list in numerical order, along with suggested corresponding corrective actions. Also describe preventative measures recommended by the inspector to avoid or remedy potential violations. Indicate if you have attached photos, sketches, and/or notice(s) of violation(s) or other documents to this form. (Add additional sheets as necessary)</p> <p>No new or outstanding violations or corrective measures were noted at time of review.</p> <p>Refer to 2016 SMARA Mine Inspection report, of which this form is Attachment B, for further discussion.</p>	<p>CA MINE ID # 91- 38-0011</p> <hr/> <p>Inspection Date: 12/29/2016</p> <hr/> <p>Weather Code(s): NA - desk review</p> <hr/> <p>Duration of Inspection: NA</p> <p>Start Time: NA</p> <p>End Time: NA</p> <hr/> <p>Status of Mine Code(s): OP = Operation not idle or abandoned</p> <hr/> <p>Status of Reclamation Code(s): R = Reclamation in progress Approximate Acreage Under Reclamation: varies year to year Approximate Acreage the lead agency has determined reclaimed in accordance with the approved reclamation plan: 0</p> <hr/> <p>Approximate Total Disturbed Acreage: 0 Approximate Pre-SMARA Disturbed Acreage: 0</p> <hr/> <p>Disturbed Acreage Identified in Most Recent Financial Assurance Cost Estimate: 0</p> <hr/> <p>Previous Inspection Date (and Number of Violations then Noted): 12/31/2015 - 0 violations Violations Corrected? (explain in block to left) NA</p> <hr/> <p>Inspection Attendees and Affiliations: Will Arcand - SMGB (desk review)</p>
Additional sheets/documents attached: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

X. Number of Current Violations: <div style="font-size: 2em; font-weight: bold; margin-top: 10px;">0</div>	Inspector's Signature: <hr/> Date Signed: 5/25/17	If inspector is a contractor for the lead agency give license type and number:
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INSTRUCTIONS FOR COMPLETING SURFACE MINING INSPECTION REPORT

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BLOCK IX

Inspectors may use the large open block for comments to describe violations, corresponding corrective actions, or preventative measure(s) suggested by the inspector to address noted violations or avoid potential violations, and to explain any limitations on the inspection conducted. The inspector can also use this space to describe the status of any pending or current enforcement actions. Separate violations that are the subject of existing enforcement actions from violations observed during the current inspection.

Enter California Mine ID Number and Date of Inspection.

Weather Codes: CR = Clear; CL = Cloudy; RN = Rain; SN = Snow; WD = Windy

For "Duration of Inspection," indicate the start and end times of the inspection (do not include travel time).

SMARA Status Codes (based on annual report and reported production under CCR § 3695, indicate the appropriate status code):

NP = Newly Permitted (surface mining operation not begun)
OP = Operation Not Idle (Per § 2727.1) or abandoned (Per §2770 (h)(6))
I = Idle (Per § 2727.1)
AB = Abandoned (Per § 2700 (h)(6))
NOP-NC = Not in Operation, Reclamation NOT Completed
NOP-C = Not in Operation, Reclamation Completed

If idle, indicate either the date operation became idle as defined by PRC Section 2727.1, the date an IMP was approved, or the status of any pending IMP.

Status of Reclamation Codes:

RN = Reclamation not begun	P = Post reclamation monitoring
R = Reclamation in progress	RC = Reclamation complete

Enter approximate acreage under reclamation (the number of acres actively being reclaimed in accordance with the approved reclamation plan).

Enter approximate acreage determined to be reclaimed in accordance with the approved reclamation plan by Lead Agency.

Enter approximate total disturbed acreage. This includes all acreage disturbed by the surface mining operation, as defined by PRC § 2729: "Mined Lands" includes the surface, subsurface, and ground water of an area in which surface mining operations will be, are being, or have been conducted, including private ways and roads appurtenant to any such area, land excavations, workings, mining waste, and areas in which structures, facilities, equipment, machines, tools or other materials or property which result from, or are used in, surface mining operations are located." This should include acreage under reclamation that has not been determined to be reclaimed in accordance with the approved reclamation plan by the Lead Agency.

Enter the total number of acres within or adjacent to the disturbance area of the operation disturbed pre-SMARA (disturbance before January 1, 1976, that has not had mining related disturbance after January 1, 1976).

Enter the disturbed acreage identified in the most recent Financial Assurance Cost Estimate (i.e., the disturbed acreage that was used to calculate the most recent Financial Assurance Cost Estimate.

Enter the date of the previous lead agency inspection and number of violations noted during that inspection.

Attendees: Provide the names and affiliations of parties in attendance at the inspection.

BLOCK X:

Enter the number of violations noted during the inspection. Sign and date the Inspection Report. If the inspector is a consultant to the lead agency, include the inspector's certification (PE, PG, CEG, etc.) and license number, if applicable. The lead agency may cause an inspection to be performed by contracting with private consultants, specifically: state licensed geologist, state licensed civil engineer, state licensed landscape architect, or state licensed forester per § 2774(b).

